



Mid-Ohio Regional
Planning Commission

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Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstedler
Chief of Staff & Director of Operations

DATE: March 2, 2017

SUBJECT: Financial Report –December 2016

Summary

At the end of the fourth quarter of 2016, our cash position was at \$1,249,215 in the operating account. This is \$361,087 higher in the operating account than December 2015. The fringe and overhead rate were better than projected for the year. Note that financial statements are subject to change with potential additional year-end audit-related entries, and the final calculation of the current year pension liability. The pension liability is the result of the GASB pronouncement implemented in 2015 requiring a liability for future pension costs to be shown on local government financial statements. Information from Franklin County calculations are expected to be available in March to finalize this liability amount.

Operating Income (Change in Net Position)

There has been a decrease in net assets (operating loss) from operations on a year-to-date basis of \$373,858. This is primarily the result of costs-to-date that were not recovered for the weatherization programs this year. Restructuring and process changes are being evaluated to improve profitability for these programs in future years.

Member Dues

Member dues revenue was 9.1% of the annual operating revenue. Uses of member dues were under budget by \$119,503 year-to-date. Use of all current year and prior year (including building due diligence and office improvement activities, which is under budget by \$113,643) member dues were as follows:

William Murdock, AICP
Executive Director

Matt Groesen
Chair

Rory McGuinness
Vice Chair

Karen J. Angelou
Secretary

	Year-to-Date 2016	
	<u>Budget</u>	<u>Actual</u>
Services to Members	\$ 346,855	\$ 366,171
Local Matching Funds	\$ 268,684	\$ 261,093
Development Fund	\$ 96,165	\$ 104,737
Building Lease	\$ 64,121	\$ 64,461
Member Services Coordination	\$ 88,710	\$ 84,438
Leasehold Improvements & Building Due Diligence	\$ 125,000	\$ 11,357
Other	\$ 71,200	\$ 48,975
Total	\$ 1,060,735	\$ 941,232

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date was 64.18% which is lower than the budgeted rate of 68.5%, creating a favorable variance for the year-to-date of \$122,788. The favorable variance amount will be applied to the 2018 fringe rate calculation.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date was 54.88% which is lower than the budgeted rate of 55.5%, creating a favorable variance \$97,224. The favorable variance amount will be applied to the 2018 overhead rate calculation.

Statement of Net Assets

- Cash on hand was \$1,249,215 which was equal to 4.7 weeks' worth of cash flow. The Hope 3 Trust account holds cash of \$42,050 restricted for NSP usage. The building reserve account is maintained at \$1,014,592. Operating reserve account is maintained at \$1,301,592. Management reserve is maintained at \$100,089. The building improvement/maintenance fund is held at \$722,584.
- Accounts Receivable totaled \$1,328,425 compared to \$1,555,699 at the end of December 2015.
- Accounts Payable plus Other Accrued Liabilities were \$429,182, a decrease versus the \$448,683 combined balance at the end of December 2015.

Expenses and Appropriations

Year-to-date expenses for the year totaled \$10,633,834 or 74.9% of the total year's operating appropriations of \$14,192,977 as MORPC has spent well within appropriations for the year.

Operating Reserve

The \$1,249,215 of operating cash at December 31 is equivalent to 33 days of expenditures, which exceeds the 30-day target threshold established in the Operating Reserve Policy.

The \$1,301,592 balance of the operating reserve at December 31 is held in STAROhio, and has not been utilized in the fourth quarter. Combining both the operating reserve balance with the operating cash balance equates to 67 days of expenditures, which exceeds the 60-day target threshold as per the Operating Reserve Policy. Interest earned and allocated to the operating reserve in the fourth quarter 2016 was \$1,207.

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2016

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Environment, Mapping & Transportation	\$ 5,581,255	\$ 7,130,485	\$ (1,549,230)
Energy and Air Quality	3,422,980	4,339,149	(916,169)
Housing & Community Services	1,072,460	2,065,838	(993,378)
Services to Members & Development	671,682	667,055	4,627
Other	(510,260)	(206,510)	(303,750)
Total Operating Revenues	\$ 10,238,117	\$ 13,996,017	\$ (3,757,900)
Expenses			
Salaries and benefits	\$ 5,936,158	\$ 6,616,381	\$ (680,223)
Materials and Supplies	182,627	550,000	(367,373)
Consultants, services and other	4,424,372	6,771,596	(2,347,224)
Depreciation	82,627	45,540	37,087
Total Expenses	\$ 10,625,784	\$ 13,983,517	\$ (3,357,733)
Operations income (loss)	\$ (387,668)	\$ 12,500	(400,168)
Interest Income	13,810	5,000	8,810
Capital Contributions	-	73,000	(73,000)
Increase (decrease) in net position	\$ (373,858)	\$ 90,500	\$ (464,358)

MORPC
Statement of Net Assets
As of 12/31/2016

	<u>Balance at</u> <u>12/31/2016</u>	<u>Balance at</u> <u>11/30/2016</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>12/31/2015</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	1,249,215	1,168,305	80,910	888,128	361,087
Cash-Designated for Building Improvement	722,584	722,394	189	747,363	(24,779)
Cash-Operating Reserve	1,301,207	1,300,495	712	0	1,301,207
Cash-Building Reserve	1,014,592	1,014,038	554	2,104,979	(1,090,387)
Cash-Management Reserve	100,089	100,037	53	0	100,089
Cash with Trustee NSP1 Franklin Co	42,050	42,050	0	42,050	0
Cash with Trustee HOPE 3	0	1,723	(1,723)	1,723	(1,723)
Accounts Receivable	1,328,425	1,467,340	(138,914)	1,555,699	(227,274)
Prepaid Expenses	<u>101,418</u>	<u>108,227</u>	<u>(6,809)</u>	<u>106,974</u>	<u>(5,556)</u>
Total Current Assets	5,859,581	5,924,609	(65,028)	5,446,916	412,665
Non-Current Assets					
Forgivable Mortgages	104,274	107,862	(3,588)	133,725	(29,451)
Fixed Assets	562,267	562,267	0	555,161	7,105
Contributed Assets	369,976	369,976	0	369,976	0
NSP 1 Properties	0	0	0	0	0
Accumulated Depreciation	<u>(804,703)</u>	<u>(797,782)</u>	<u>(6,921)</u>	<u>(722,076)</u>	<u>(82,627)</u>
Total Non-Current Assets	231,814	242,323	(10,509)	336,786	(104,973)
Deferred Outflows of Resources					
GASB 68 Pension	<u>694,040</u>	<u>694,040</u>	<u>0</u>	<u>694,040</u>	<u>0</u>
Total Deferred Outflows of Resources	<u>694,040</u>	<u>694,040</u>	<u>0</u>	<u>694,040</u>	<u>0</u>
Total Assets	<u>6,785,435</u>	<u>6,860,972</u>	<u>(75,537)</u>	<u>6,477,742</u>	<u>307,693</u>
Liabilities					
Current Liabilities					
Accounts Payable	369,107	226,471	142,636	275,107	94,000
Accrued Payroll	245,187	222,731	22,456	209,524	35,663
Accrued Fringe Benefits	74,107	71,355	2,752	65,472	8,634
Other Accrued Liabilities	60,075	73,254	(13,179)	173,576	(113,502)
Accrued PTO & Sick Leave	60,000	60,000	0	60,000	0
Deferred Income	602,223	679,691	(77,468)	490,760	111,463
Deferred Income-Member Dues	5,783	134,421	(128,638)	47,869	(42,085)
Deferred Income-Indirect Reserve	36,400	54,109	(17,709)	(202,821)	239,221
Deferred Fringe Benefit Reserve	<u>245,079</u>	<u>245,035</u>	<u>44</u>	<u>(153,222)</u>	<u>398,301</u>
Total Current Liabilities	1,697,960	1,767,066	(69,106)	966,265	731,696
Non-Current					
Accrued PTO & Sick Leave	368,111	394,424	(26,313)	338,629	29,482
HOPE 3 Deferred Income	15,166	16,254	(1,088)	28,222	(13,056)
Other Mortgages-Deferred Income	89,107	91,607	(2,500)	105,503	(16,395)
Accrued Building Lease Expense	5,405	8,915	(3,511)	47,531	(42,126)
GASB 68 Pension Liability	<u>4,245,280</u>	<u>4,245,280</u>	<u>0</u>	<u>4,245,280</u>	<u>0</u>
Total Non-Current	4,723,069	4,756,481	(33,412)	4,765,165	(42,095)
Deferred Inflows of Resources					
GASB 68 Pension	<u>74,581</u>	<u>74,581</u>	<u>0</u>	<u>74,581</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>74,581</u>	<u>74,581</u>	<u>0</u>	<u>74,581</u>	<u>0</u>
Total Liabilities	6,495,611	6,598,128	(102,517)	5,806,010	689,601
Net Assets					
Beginning Net Assets	671,732	671,732	0	671,732	0
Current YTD Net Income	<u>(381,908)</u>	<u>(408,888)</u>	<u>26,980</u>	<u>(455,567)</u>	<u>73,659</u>
Total Net Assets	<u>289,824</u>	<u>262,844</u>	<u>26,980</u>	<u>671,732</u>	<u>(381,908)</u>
Total Liabilities and Net Assets	<u>6,785,435</u>	<u>6,860,972</u>	<u>(75,537)</u>	<u>6,477,742</u>	<u>307,693</u>